

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 27, 2007

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB156 by Shapiro (Relating to a competitive grant program to fund nurse-family partnership programs in certain communities in this state.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB156, As Introduced: a negative impact of (\$7,905,600) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

Section one of the bill would amend Chapter 531 of the Government Code by adding Subchapter M to direct the Health and Human Service Commission (HHSC) to establish a nurse-family partnership (NFP) competitive grant program and to fund NFP programs in at least 11 communities in the state. Through the NFP programs, registered nurses would regularly visit the homes of low-income, first-time mothers to provide services designed to result in certain economic and health outcomes. The NFP program nurses would make home visits beginning not later than a mother's 28th week of gestation and ending when the child reaches age two. The bill would require the program to deliver services to at least 2,000 families.

The bill would require that the grant-funded programs be based strictly on the program model developed by the Nurse-Family Partnership National Service Office. A public or private entity could apply for a grant, which would be awarded using specific considerations. Additionally, the bill would provide for HHSC to contract with a state nurse consultant to assist in development of the request for proposals and to help grant recipients with implementation and operation of the NFP programs.

Section two of the bill would require HHSC to apply for any available Federal Funds to assist in financing the program; it requires HHSC to establish the grant program by March 1, 2008; and it requires an annual report by December 1, 2008.

Section three of the bill would establish an effective date of September 1, 2007.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$50,200)
2009	(\$7,855,400)
2010	(\$7,855,400)
2011	(\$7,855,400)
2012	(\$7,855,400)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Probable (Cost) from GR MATCH FOR MEDICAID 758	Probable (Cost) from FEDERAL FUNDS 555
2008	\$0	(\$50,200)	(\$50,200)
2009	(\$5,170,000)	(\$2,685,400)	(\$2,685,400)
2010	(\$5,170,000)	(\$2,685,400)	(\$2,685,400)
2011	(\$5,170,000)	(\$2,685,400)	(\$2,685,400)
2012	(\$5,170,000)	(\$2,685,400)	(\$2,685,400)

Fiscal Analysis

The cost to implement the bill results from two components. The first is the State Nurse Consultant who will assist HHSC in implementation and monitoring of the project. The second is the cost of the NFP grants, which is based on a the Nurse Family Partnership National Service Office sample budget.

HHSC's cost estimate does not reflect any savings that may accrue due to the expected improved birth outcomes, avoided emergency room costs and expected decrease in child abuse and neglect among families who participate in the program.

Methodology

The State Nurse Consultant is assumed to be contracted for one half year in fiscal year 2008, at a cost of \$50,000. The cost for fiscal year 2009-2012 is assumed to be \$100,800 for salary and \$100,000 for operating expense (staff assistant, travel and materials). A 50% federal match through Medicaid for this position is assumed.

The NFP sample budget for each site is approximately \$4,700 per family per year and includes funding for registered nurses, a nurse supervisor, and an administrative support person. It also pays for administrative costs, staff training, and travel for home visits. HHSC's cost estimate assumes they will serve 200 families at each of eleven different sites. Multiplying \$4,700 times eleven sites times 200 families equals \$10,340,000 in All Funds. HHSC assumes that 50% of the program may be funded by Medicaid at a 50/50 matching rate (\$2.6 million General Revenue Match for Medicaid and \$2.6 million Federal Funds), with the remaining 50% funded by General Revenue (\$5.2 million).

The bill would require a competitive grant process; therefore, this estimate assumes grant contracts will start September 1, 2008.

HHSC states that other Federal Funds, such as Temporary Assistance for Needy Families (TANF) Federal Funds, could be used in lieu of General Revenue for this program. For the purpose of this fiscal note, General Revenue is assumed as the method of financing. However, should additional TANF Federal Funds become available, \$5.2 million in FY 2009 of General Revenue costs assumed above could potentially be financed with TANF.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JOB, CL, PP, MB